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E.O. 12958: N/A

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SUBJECT: TAJIKISTAN: NEW ECON REFORM PARTY CHAIRMAN SAYS TAJIKISTAN NEEDS SLOW ECONOMIC REFORM

1. (U) Sensitive but unclassified. Please handle accordingly. Not for public Internet.

2. (SBU) SUMMARY: Tajikistan's new Party of Economic Reform (PER) calls for gradual economic changes beginning with agriculture reform, developing industry around farm products, and creating a financial sector for agro-investment. The party favors a strong government hand in initiating the reform process, and criticizes the government for not moving forward with proposed reforms. PER accuses other parties of being too economically liberal, but is sympathetic to the ruling People's Democratic Party of Tajikistan (PDPT). PER Chairman Olimzhon Boboyev praised an "Eastern model" of government and ideally wished Tajikistan had a monarchy with Rahmonov as the figurehead king and an elected President and Prime Minister. END SUMMARY.

PER's PLATFORM: TAJIKISTAN NEEDS SLOW BUT REAL ECONOMIC REFORM

3. (U) In the local press, PER Chairman Boboyev stated the party's goals: to reduce poverty, conduct proper privatization, and attract foreign investments. In a meeting with PolOff on November 18, he proposed Tajikistan needs slow and gradual economic reform, but is not yet ready for a free-market economy.

4. (U) PER's platform is based on a three-step gradual transition to a market economy. The first step is agrarian reform. Boboyev argued the party does not favor privatizing land ownership because privatization could lead to a feudal system with a few elite able to afford land controlling peasants who must work the land. He called on private- and state-owned joint ventures to organize small farm cooperatives to create a market for the exchange of land use.

5. (U) The second step, directly related to the development of the agriculture sector, is industrial reform. New industries would use Tajikistan's agricultural output. Boboyev identified the need to fund small enterprises to process raw materials such as cotton into yarn and then, over time, a textiles industry could develop.

6. (U) The third step would be to create a financial sector revolving around agro-investment. In Boboyev's opinion, with industrial support, Tajikistan could build large plants to be competitive with foreign enterprises, although Tajikistan still lacks reliable electrical power. Boboyev touted the need for foreign investment and said Tajikistan can receive large amounts of aid from the West, but it will not help; Tajikistan needs investment to develop its economy.

7. (U) The government should prepare each sector for liberalization. When the government deems a sector is finally ready for liberalization, it should privatize. The market will then guide that sector and government influence would naturally decrease.

8. (U) Unlike leaders of other political parties, Boboyev has a close working relationship with Parliamentarians and other government ministries. The Minister of Transport appointed him head of the Transport Institute in 2003, and he often advises Parliament on transport legislation. Thus far, he has received free access to and coverage by both independent and state media.

9. (U) Boboyev has been publicly critical of the government only in the realm of economic reform. Politically, he agreed with the current policies and specifically pointed out that Rahmonov has chosen the best political approach towards stability and built a positive image of the country. However,

he criticized the government for being ineffective, the bureaucracy too large, and the ministries not independent, but rather extensions of the President.

FORMING A NEW POLITICAL PARTY: A 12-MONTH PROCESS

10. (U) The Ministry of Justice officially registered PER on October 28. Boboyev claimed the Party initiated the

registration process one year ago. It currently has 1,112 members total, from every district, including Gorno Badakhshan. Ninety percent of their members have advanced degrees and are considered members of the intelligentsia, being economists, lawyers, journalists, writers, and other educated professionals.

11. (U) PER's Congress convened representatives from all districts September 19. According to Tajik law, the Congress established the party's charter and elected staff members. The next Congress will meet in three months. Boboyev hoped to have a PER representative in every village. The party's membership fees are modest and not enough to meet the party's financial needs, but PER intends to raise funds by creating local enterprises. Thus far, none have been established, but will be set-up during the next few Congresses. Boboyev dodged PolOff's questions about how the party was initially funded.

12. (SBU) COMMENT: It is difficult to register any kind of organization in Tajikistan, especially political parties - unless the powers-that-be want them registered. PER's registration on its first try suggests the party is 100 percent government approved, and likely government created. END COMMENT.

13. (U) PER shares few common principles with the seven other registered political parties. Primarily, Boboyev believes other parties are economically too liberal in calling for less government interference in the economy. The party insists Tajikistan needs the government to stabilize and stimulate the economy. He accused other parties of abandoning Tajikistan's Eastern values and being too pro-Western. The one exception, noted Boboyev, was the People's Democratic Party of Tajikistan, which shared a similar platform with PER.

14. (U) As next year's presidential election draws closer, PER will announce its own presidential candidate. Boboyev did not rule out supporting another party's candidate, because, he acknowledged, PER is a young party and could not win in the next presidential election. He hoped to establish a solid base for the future, and believes the population will respect the party because of its intelligentsia membership.

KING RAHMONOV

15. (SBU) Boboyev ideally would like Tajikistan's government to mirror Japan's. He favored a monarchy for Tajikistan with Rahmonov as king. (COMMENT: No, we are not making this up. END COMMENT.) Boboyev explained Rahmonov is concerned about his own financial and political security and has infused his close government circle with family members and people from the Kulyab region. If Rahmonov were king, he and his family would be financed under the government's budget, meaning a smaller group of people would be living off state money instead of the current hundreds benefiting from Rahmonov's position. As king, Rahmonov would still exert influence, but it would not be as overreaching because there would be an elected President or Prime Minister. Over time, the monarch would become a figurehead.

16. (SBU) COMMENT: It is likely that PER was formed as a "pocket party" to give the illusion of "democratic opposition" as the government cracks down on the parties it does not like.

Boboyev's emphasis on the need for economic development and reform rather than relying on Western aid is a Rahmonov talking point. As head of the Transport Institute, Boboyev is a government-appointed bureaucrat, leaving little question about the "independence" of his party. His desire for a monarchy with "King Rahmonov" is something we cannot fathom except to suggest it may be an atavistic memory about Central Asia's medieval khans. However, the trend for the last several centuries has been in the opposite direction -- toward democracy. END COMMENT.
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